MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

MAY 7, 2013

INVOCATION:
Pastor Rick Bloom of Pacific Christian Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the Pledge of Allegiance.

CALL TO ORDER

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Green, Orach, Zuniga, Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Community Development Appel, City Librarian Housel, Police Chief Martin, Fire Chief Orr, Director of Recreation and Parks Posada, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Deputy City Manager Barnhard, Deputy City Manager Lara, Director of Administrative Services Visé, and Community Development Secretary Kathleen Wilson.

1. PROCLAMATIONS/PRESENTATIONS:

A. PROCLAMATION – WATER AWARENESS MONTH
Councilmember Boysen read a proclamation declaring the month of May 2013 as "Water Awareness Month" in the City of Santa Maria. The proclamation was accepted by Myra Ritchie, Water Conservation Specialist – Utilities Department. Ms. Ritchie gave a brief description of her work with school children and educating them about water awareness.

B. PRESENTATION – WATER AWARENESS SCHOOL POSTER CONTEST
Water Conservation Specialist Ritchie presented awards to the winners of the 4th grade Water Awareness Month Poster Contest: 1st place, Dillon Kelly; 2nd place, Ruben Salinas; and 3rd place, Arianna Diaz; and Honorable Mention, Jose Castro.

C. PROCLAMATION – INTERNATIONAL COMPOST AWARENESS WEEK
Councilmember Zuniga read a proclamation declaring May 5 – 11, 2013, as "Compost Awareness Week" in the City of Santa Maria, in recognition of the efforts of the composting councils, extension agents, householders, landscapers, farmers, recyclers, public workers, composters, gardeners, and plant growers everywhere. The proclamation was accepted by Bob Engel of Engel & Gray. Mr. Engel brought potted flowers for the Councilmembers in honor of Compost Awareness Week.

D. PROCLAMATION – NATIONAL POLICE WEEK
Councilmember Orach read a proclamation declaring May 12 – 18, 2013, as "National Police Week" and Wednesday, May 15, 2013, as "Peace Officers' Memorial Day" in the City of Santa Maria, and encouraging all residents to remember those individuals who gave their lives for our safety and express our appreciation to those who continue to dedicate themselves to making Santa Maria a safer place in which to live. The proclamation was accepted by Corporal Steve Lopez of the Santa Maria Police Department. Corporal Lopez invited everyone to join in the Peace Officers' Memorial Day celebration next Wednesday, May 15, 2013, with a luncheon to follow. Donations will assist the Police Benevolent Fund.

E. PROCLAMATION – NATIONAL PUBLIC WORKS WEEK
Councilmember Terri Zuniga read a proclamation declaring May 19 – 25, 2013, as "National Public Works Week" in the City of Santa Maria, calling upon all residents and civic organizations to acquaint themselves with the issues involved in providing public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life. The proclamation was accepted by David Whitehead, Public Works Department Director. Mr. Whitehead described the school outreach done during this special week. Five staffers will be making presentations at several schools, with an expected 647 students to be informed about the benefits of Public Works.

F. PROCLAMATION – MILITARY APPRECIATION MONTH
Councilmember Willie Green read a proclamation declaring May 1 through June 14, 2013, as "Military Appreciation Month" in the City of Santa Maria, and encouraging all residents to join in showing gratitude to the military by the appropriate display of flags and ribbons during the designated period. The proclamation was accepted by Bob Hatch, President/CEO – SMV Chamber of Commerce.

G. PROCLAMATION – GO WESTERN DAYS
Mayor Patino read a proclamation declaring May 1 – June 1, 2013, as "Go Western Days" in the City of Santa Maria, and encouraging all residents to enter into the rodeo spirit by wearing western apparel. The proclamation was accepted by Phil Harwick, Santa Maria Elks Recreation – President.

H. PROCLAMATION – UNDERAGE DRINKING PREVENTION MONTH
Councilmember Willie Green read a proclamation declaring the month of May 2013 as "Underage Drinking Prevention Month" in the City of Santa Maria. The proclamation was accepted by Al Rodriguez, Fighting Back Santa Maria Valley – Executive Director.

2. PUBLIC COMMENT:
Mark Rademaker addressed the City Council, and encouraged watchers to watch a video on www.AbortionNo.Org.

Jose Castellanos, representing LULAC Santa Maria and GI Forum, addressed the City Council, and spoke about the Citizenship Faire held this past weekend at the Vet's Memorial that helped over 200 people to apply for legal citizenship. There were several hundred volunteers assisting over 500 people, along with Mariachis and vendors. Mr. Castellanos stated that these people want a voice in the community, and the more people participate in the democracy, the better it is.

Lori Scott, representing GRACE/Gay Rights Advocates for Change and Equality, addressed the City Council, speaking of the annual Harvey Milk Day and Pride Celebration on May 19th at Centennial Park in Santa Maria. The event is free, and everyone is welcome to come and support, and to bring their leashed dog and best outfits. She invited the City Council and City staff to participate.

Ernest Armenta addressed City Council opposing Item "F" on the Consent Calendar, stating that there are Councilmembers who are on non-profits and award funds to their organizations. Mr. Armenta reminded Mr. Engel to thank the voters, and that Councilmembers need to report gifts received. Mr. Armenta also urged C&D Zodiak to pay a living wage to their employees.

Yesenia DeCasars addressed the City Council concerning Military Appreciation Month, and thanked the City for their cooperation in the planning and executing of this event, particularly Councilmember Zuniga. She also acknowledged and thanked the City departments for their collaboration in the Cinco de Mayo celebration and citizenship fair which was attended by 500 people and 161 legal residents were assisted with applications to become citizens.

CONSENT CALENDAR:
Councilmember Zuniga asked that Item 3I be pulled for comment. Councilmember Orach asked to comment on Items 3F and 3I. Councilmember Boysen asked to comment on Item 3K.

Item 3F – Annual Action Plan for Fiscal Year 2013-14
Councilmember Orach requested that City Manager Haydon provide an explanation of the Action Plan and to confirm that the City was not making a commitment of $60,000 to C3H program.

City Manager Haydon addressed the City Council explaining the agenda report indicates that staff recommends one third ($60,000) of the Tenant Based Rental Assistance (TBRA) program funding be used to assist the homeless families thereby addressing funding for the Central Coast Collaborative on Homelessness (C3H). It has been the City's past practice to provide rental assistance for those who need a security deposit for an apartment. A large number of these individuals receiving funding have been homeless. Staff is trying to obtain credit for the money already being set aside. The City of Santa Barbara and the County of Santa Barbara each contributed $75,000 to C3H. Staff is recommending that the City's contribution to the homelessness issues be made directly to homeless individuals through the TBRA program, rather than to C3H.

Councilmember Orach indicated that the TBRA was not a new program, and the City would continue to help those individuals that the City has always helped.

City Manager Haydon indicated that the TBRA application will be modified to better track those who are homeless by indicating they are low to moderate income households or homeless.

Councilmember Boysen indicated that this had some unintended, unforeseen consequences. Both he and Councilmember Zuniga are on the C3H Board representing the City. After hearing how the City was going to handle its contribution through TBRA, other communities decided to do the same. It will be discussed by the C3H Board at its next meeting on Thursday. The City has started a trend.

Item 3I – Agreement with PG&E
Councilmember Zuniga inquired about the competitive bid process for this project.

Director of Public Works/City Engineer Whitehead explained why the City chose to use a sole-source procurement process for this project, stating that PG&E provided services that no other contractor can provide, including an updated inventory for all streetlights in the City, associated with the billing; new billing rates due to the energy efficient lighting fixtures; and rebates and ability to maximize the City's ability to acquire the rebates. Mr. Whitehead showed *Before* and *After* photos of the night streetscape, comparing the yellow low sodium light fixtures and the new brighter lights.

Councilmember Orach did not comment on the item.

Item 3K – NCSD Water Supply Agreement
Councilmember Boysen asked Director of Utilities Sweet for some background and the reasoning behind the City allocating a portion of its State Water to the Nipomo Community Services District.

Director of Utilities Sweet gave a brief history of water agreement. In 2003, in the middle of the groundwater litigation that began in 1999, there was an understanding that there was an overdraft or localized depression in the Nipomo area. The pumping area in Nipomo sits approximately 10 feet above sea level. At certain areas the groundwater contour is zero, and minus 10 at the groundwater monitoring location. Continued groundwater depression will lead to salt water intrusion from the ocean. In 2003, it was determined that the City had an ample water supply and it should be moved to Nipomo to offset the depression. The idea was that the City moves the water to Nipomo, and Nipomo does not pump so much water allowing the basin to recover. The Judgment in the Water litigation stipulates that the City move the water.

Consent Calendar Items 3A through 3L (except 3F) were approved on motion by Councilmember Orach, seconded by Councilmember Boysen, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Green, Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Consent Calendar Item 3F was approved on motion by Councilmember Orach, seconded by Councilmember Zuniga, and carried on the following vote: 4-0-1.

AYES: Councilmembers Green, Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: Councilmember Boysen

A. ORDINANCES.
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES.
The Minutes of the Regular City Council Meeting of April 16, 2013, were approved as submitted.

C. ANIMAL CONTROL SERVICES AGREEMENT.
Resolution No. 2013-37 was adopted approving an Amendment agreement with the County of Santa Barbara for animal control services in the amount of $625,000 for FY 2013-14 and in the amount of $675,000 for FY 2014-15.

Resolution No. 2013-37 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA CALIFORNIA, APPROVING AN AGREEMENT WITH THE COUNTY OF SANTA BARBARA FOR ANIMAL CONTROL SERVICES.

D. WARRANTS.
Warrant Nos. 179133 to 179399 totaling $1,590,270.21 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 174620, 176106, 178881, and 179002 were cancelled.

E. PAYROLL.
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

F. 2013-14 ANNUAL ACTION PLAN FOR CDBG/HOME FUNDS.
Resolution No. 2013-38 was adopted approving the Annual Action Plan for 2013-14 for the use of Federal funds under the Community Development Block Grant Program and the HOME Investment Partnerships Program.

Resolution No. 2013-38 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE ANNUAL ACTION PLAN FOR FISCAL YEAR 2013-14 FOR THE USE OF FEDERAL FUNDS UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM.

G. POLICY REGARDING DISTRIBUTION OF COMPLIMENTARY TICKETS
The City Council adopted a policy regarding distribution of complimentary tickets pursuant to FPPC Regulation 18944.1.

H. TRANSITIONAL HOUSING AND EMERGENCY SHELTERS.
The City Council conducted the second reading by title only of Ordinance No. 2013-03 making amendments to the Santa Maria Municipal Code for Transitional Housing, and supportive housing.

Ordinance No. 2013-03 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING CHAPTER 12-2 OF THE SANTA MARIA MUNICIPAL CODE, RELATING TO TRANSITIONAL HOUSING AND SUPPORTIVE HOUSING.

The City Council conducted the second reading by title only of Ordinance No. 2013-04 making Municipal Code Text Amendments for Emergency Shelters, Z-2011-001, E-2011-012 (City Wide)

Ordinance No. 2013-04 adopted. A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING SECTION 12-10.03 OF CHAPTER 12-10, AND SECTION 12-12.03 OF CHAPTER 12-12, AND SECTION 12-18.03 OF CHAPTER 12-18, AND ADDING CHAPTER 12-53 TO THE SANTA MARIA MUNICIPAL CODE, RELATING TO EMERGENCY SHELTERS.

I. AGREEMENT WITH PG&E.
Resolution No. 2013-39 was adopted authorizing the City Manager to execute a Products and Services Agreement with Pacific Gas and Electric Company (PG&E) for the City of Santa Maria Street Light Conversion Project.

Resolution No. 2013-39 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PRODUCTS AND SERVICES AGREEMENT WITH PACIFIC GAS AND ELECTRIC COMPANY (PG&E) FOR THE CITY OF SANTA MARIA STREET LIGHT CONVERSION PROJECT.

J. CALL FOR BIDS
The City Council gave approval to call for bids on the plans and specifications for the Central Avenue - Stowell Road Rehabilitation Project, Bid No. 2013/04.

K. WHOLESALE WATER SUPPLY AGREEMENT
Resolution No. 2012-40 was adopted approving applications for the Director of Utilities to Enter into a Wholesale Water Supply Agreement with Nipomo Community Services District.

Resolution No. 2013-40 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A WHOLESALE WATER SUPPLY AGREEMENT WITH NIPOMO COMMUNITY SERVICES DISTRICT.

L. LICENSE AGREEMENT
Resolution No. 2012-41 was adopted authorizing the Director of Utilities to enter into a License Agreement with GTE Mobilnet of Santa Barbara Limited Partnership, doing business as Verizon Wireless ("Verizon Wireless"), for the lease of a cellular communications site at Oakley Park.

Resolution No. 2013-41 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE DIRECTOR OF UTILITIES TO EXECUTE A LICENSE AGREEMENT WITH GTE MOBILNET OF SANTA BARBARA LIMITED PARTNERSHIP D/B/A VERIZON WIRELESS.

4. APPOINTMENTS TO THE BLOCK GRANTS ADVISORY COMMITTEE.
Deputy City Manager Barnhard gave a presentation as detailed in the written Council Agenda Report. The City Council was requested to make two appointments to the Block Grants Advisory Committee. Appointees were needed to fill unexpired terms ending in July 2014 and July 2015. Two applications were received; one new application was received from Esther Acosta, and one application was re-submitted by Roy Allen. Both nominations are to be made by Councilmember Orach.

Ernest Armenta addressed the City Council, and requested that none of the applicants have special interest connections.

Councilmember Orach nominated Esther Acosta to fill the unexpired term ending in July 2014, and Roy Allen to fill the unexpired term ending in July 2015.

On motion by Councilmember Orach, seconded by Councilmember Zuniga, and carried unanimously, that Esther Acosta and Roy Allen were appointed to the Block Grants Advisory Committee.

Roy Allen addressed the City Council and stated that it was his passion to work with Alzheimer's patients. He has noticed that the Hispanic community will hide Grandma or Grandpa in the backroom because of the stigma attached to the disease. By being on the Block Grants Advisory Committee, he believes that he can help.

Councilmember Zuniga thanked Mr. Allen for his kind assistance to her family during their time of need.

5. APPOINTMENT TO THE SANTA BARBARA COUNTY LIBRARY ADVISORY COMMITTEE. Deputy City Manager Barnhard gave a presentation as detailed in the written Council Agenda Report. The City Council was requested to make one appointment to the Santa Barbara County Library Advisory Committee. An Appointee was needed to fill a term that runs concurrently with the County-wide library contract, until discharged by the County Board of Supervisors, or resignation by the member. One new application was received from Maureen Theobald.

On motion by Mayor Patino, seconded by Councilmember Orach, and carried unanimously that Maureen Theobald was appointed to the Santa Barbara County Library Advisory Committee.

PUBLIC HEARING
(Items 6 and 7 were taken in reverse order)

7. FINDING OF PUBLIC CONVENIENCE IN THE MATTER OF THE ISSUANCE OF A TYPE 21 (OFF-SALE GENERAL) ALCOHOLIC BEVERAGE LICENSE FOR WALMART NEIGHBORHOOD MARKET #5658, 2240 SOUTH BRADLEY ROAD, SP-2012-0004. Director of Community Development Appel gave a presentation as detailed in the written Council Agenda Report. Staff recommended that City Council make certain findings and a determination that public convenience will be served in the matter of the issuance of a Type 21 license (off-sale general) alcoholic beverage license for the sale of packaged beer, wine, and distilled spirits, at the Wal-Mart Neighborhood Market at 2240 South Bradley Road. The finding of public convenience is subject and in accordance with the project description, method of operation, hours of operation, and floor plan descriptions. Staff also recommended that the Council make the findings that 1) the Department of Alcoholic Beverage Control (ABC) has determined that the subject application requires consideration of a finding of Public Convenience or Necessity; 2) the beer and wine shall be displayed only within the area depicted on the attached floor plan, with the alcoholic beverages occupying no more than 443 square feet of the 32,000-square-foot Walmart Neighborhood Market; 3) the area within Walmart Neighborhood Market to be used for the display of alcoholic beverages represents less than 1.5 percent of the total floor area of the store; 4) the property is located within Census Tract No. 20.07, which is not an area of "undue concentration" of off-sale alcoholic beverage licenses; and 5) the Police Department has no objection to issuance of the license as stated on their memo dated January 13, 2013.

Mayor Patino opened the public hearing.

Tracy Owens, representing the applicant Wal-Mart, the applicant, addressed the City Council, stating that Wal-Mart is excited with the new neighborhood market format in Santa Maria. The new store has been open since last October, and they are looking forward to providing further convenience to customers. She stated that the having this type of license would make it more convenient for their patrons to buy their alcoholic beverages while buying their other groceries. She indicated that although the sale of alcohol was about two percent of their business, it has been the number one request from customers for the store.

Ernest Armenta addressed the City Council in favor of the project.

With no other requests to speak, Mayor Patino closed the public hearing.

Council Discussion
Councilmember Zuniga asked Ms. Owens if the hard liquor would be locked up.

Ms. Owens responded that she would find out, and added that the liquor would have locking caps.

Councilmember Zuniga why there needed to be two Wal-Mart stores in the same shopping center, both selling alcohol.

Ms. Owens responded that the larger Wal-Mart maintains a Type 21 license, for only beer and wine. When the vacancy opened next door to the current Wal-Mart, they had the opportunity to open a store with a different format for just groceries.

Councilmember Zuniga asked if a survey had been done to determine this as the "#1 request of customers."

Ms. Owens responded that since the store opened, they had customers remark that they "can't find the liquor department."

Councilmember Boysen made a motion to make a determination for the finding of a public convenience in the issuance of a Type 21 License to Wal-Mart at 2240 South Bradley Road, seconded by Councilmember Green, and carried on the following vote:

AYES: Councilmembers Boysen, Green, and Orach
NOES: Councilmember Zuniga and Mayor Patino
ABSENT: None
ABSTAIN: None

6. FINDING OF PUBLIC CONVENIENCE IN THE MATTER OF THE ISSUANCE OF A TYPE 21 (OFF-SALE GENERAL) ALCOHOLIC BEVERAGE LICENSE FOR WALMART NEIGHBORHOOD MARKET #5659, 500 SOUTH BLOSSER ROAD, SP-2012-0035. Director of Community Development Appel gave a presentation as detailed in the written Council Agenda Report. Staff recommended that City Council make certain findings and a determination that public convenience will be served in the matter of the issuance of a Type 21 license (off-sale general) alcoholic beverage license for the sale of packaged beer, wine, and distilled spirits, at the Wal-Mart Neighborhood Market at 500 South Blosser Road. The finding of public convenience is subject and in accordance with the project description, method of operation, hours of operation, and floor plan descriptions. It is requested that the City Council make findings that: 1) the Department of Alcoholic Beverage Control (ABC) has determined that the subject application requires consideration of a finding of Public Convenience or Necessity; 2) the beer and wine shall be displayed only within the area depicted on the attached floor plan, with the alcoholic beverages occupying no more than 443 square feet of the 32,000-square-foot Walmart Neighborhood Market; 3) the area within Walmart Neighborhood Market to be used for the display of alcoholic beverages represents less than 1.5 percent of the total floor area of the store; 4) the property is located within Census Tract No. 20.07, which is not an area of "undue concentration" of off-sale alcoholic beverage licenses; and 5) the Police Department has no objection to issuance of the license as stated on their memo dated January 13, 2013.

Tracy Owens, representing the applicant, Wal-Mart, addressed the City Council. Ms. Owens noted that the store in this location is slated to open in June of 2013. Ms. Owens spoke of crime prevention, and the size of the store and parking lot which decreases likelihood of people coming to buy alcohol only. Ms. Owens added that there are a number of security measures in place, as well as training of associates to prevent theft and sale of alcohol to minors.

Mayor Patino opened the Public Hearing.

Toru Miyoshi addressed the City Council in opposition to the project, citing excessive alcohol sales on Blosser and Main Street, and a precedent having been set concerning a small convenience store being denied their license because of availability of alcoholic beverages in the general vicinity. Mr. Miyoshi stated that if a precedent has been set, it should be adhered to, and spoke of preserving the small Mom & Pop stores. He added that big box stores are more of a town-killer than promoters of a healthy economy. Mr. Miyoshi urged the Council to be sensitive to the small businesses because they are the base of our economy.

Having no other requests to speak, Mayor Patino closed the public hearing.

Council Discussion
Councilmember Boysen asked for the background on the previous liquor license that was denied, and did it result in the ABC not to issue a liquor license.

Community Development Director Appel did not recall the specifics on that case.

Councilmember Boysen inquired that if this license was denied; would that preclude the applicant from receiving an ABC license.

Community Development Director Appel responded that it generally would preclude the applicant from receiving a license, because ABC follows what the local agency says. Mr. Appel added that there could be an appeal of the decision.

Councilmember Boysen asked if there had been any comments on the issue of oversaturation of sales of liquor in that area.

Community Development Director Appel responded that sometimes ABC approves more licenses in some areas than others. Generally, when the request is for a business that is not a liquor store only, he did not know of any having been denied.

Councilmember Boysen asked if it was possible to terminate alcohol sales at 10:00 p.m., instead of 2:00 a.m. because Wal-Mart was opening 24 hours.

Community Development Director Appel responded that if special conditions apply to this location, they could be forwarded to ABC. However, ABC normally follows the State regulations, which allow alcohol sales until 2 am.

Councilmember Boysen inquired if it were possible to deny the request for a Type 21 license and encourage a Type 20 license.

Community Development Director Appel stated that the action before the Council was to approve or disapprove a Type 21 license. If there was a recommendation to make it a Type 20 license instead, that information could be passed along to the applicant. Mr. Appel noted that Wal-Mart would like to go with a continuance if that was Council's wish so they could work some other options.

Councilmember Orach recalled a previous denial for an ABC license was for a small market. The recommendation from the Police included concerns with the Newlove area and with problems of drinking in garages. The applicant was a small market, without the same security for preventing. Councilmember Orach stated that this applicant is different situation than that one.

Mayor Patino commented on the number of kids walking by that location to school. She indicated that she would like to take away some of the licenses which have already been issued because they were being irresponsible. She stated that her concern was with the youth having that much access to alcohol, and that Santa Maria has a big problem with kids drinking and driving.

Councilman Green inquired if there have been reported crimes or sale of alcohol to underage kids, and the incident level in that jurisdiction.

Community Development Director Appel responded that the memos from Police Department indicated that the calls for service were not liquor-related violations, but rather for shoplifting, car theft, and the like.

Councilmember Zuniga restated her question of whether or not the hard liquor would be locked up.

Ms. Owens stated that Wal-Mart would be using locking caps on the bottles, and did not believe they would be locked in a cabinet.

Councilmember Zuniga agreed with Mr. Miyoshi's concerns regarding the over 15 locally owned businesses in the area, and the need to support those small owners trying to make a living. She stated that Wal-Mart could bear the brunt of reduced alcohol sales moreso than the small businesses. Councilmember Zuniga also cited her concern with people making a run to the store before it closes at 2 a.m. Blosser Road will be a major thoroughfare and will only get worse with traffic once Wal-Mart opens. Councilmember Zuniga concluded that she would not support the request.

Community Development Director Appel responded that issues could be addressed with further conditions to address restricted hours, and secure the alcohol area. He suggested a continuance might be in order to work on those items of concern.

Councilmember Boysen commented on the competition aspect of businesses, stating that small businesses can have things that big places cannot have such as good customer service. He stated that he did not have a problem with that as much as the overconcentration of licenses in the area. Councilman Boysen stated he would feel more comfortable if he could hear ideas for reduced hours for alcohol sales, and agreed with Councilmember Zuniga's concerns about the 1:30 a.m. runs. Councilmember Boysen added that he would consider a Type 20 license more favorably. He would be in favor of a continuance.

Councilmember Green agreed.

Councilmember Boysen made the motion to continue the item to the first meeting in June, seconded by Councilmember Green seconded the motion, and carried on the following vote:

AYES: Councilmembers Boysen, Green, Orach, and Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

REGULAR BUSINESS

8. DISCUSSION REGARDING ESTABLISHMENT OF AN AUTO OVERLAY IN THE C-2 ZONE OF THE ENOS RANCHOS SPECIFIC PLAN AREA. Director of Community Development Appel gave a presentation as detailed in the written Council Agenda Report. Staff recommended that City Council receive a report and consider direction to staff regarding future development of property within the Enos Ranchos Specific Plan area. During the Community Development Department's presentation of the General Plan Annual Report at the March 19, 2013, City Council Meeting, numerous questions were asked about the Enos Ranchos Specific Plan, including the possibility of adding an Auto Overlay on portions of the property. On April 2, 2013, at City Council's request, staff presented a report to discuss the possibility of adding an Auto Overlay to property generally north of Betteravia Road and west of U.S. Highway 101. A number of people spoke for and against the recommendation, and letters were submitted for consideration. Owners of the subject property, as well as the legal representative of the developer, requested that City Council delay any decisions and grant a continuance to allow more research to be prepared by those objecting to a decision that evening. Staff received a letter and draft site plan have been submitted by the owner.

Public Input
Sam Rhea, representing the property owner, Enos Ranchos, LLC, spoke in opposition to the proposal. The property was not available for development until it came out of the Williamson Act in December of 2009. He asked that their architect make a presentation about their development plans.

Lyle Munsch, architect for the property owner, gave a PowerPoint presentation on the Enos Ranchos Specific Plan, and reviewed the history of the site. In 2008, was annexed into the City. There are matters of consideration with the property, specifically the abandoned wells, topography, escarpment, wind angle. For a site plan, they are critical issues. The Enos Ranchos Mercado project site layout incorporates the elevations, building articulation, thematic entrances to the proposed shopping center, the pedestrian walkway, bioswale/people spaces, and pedestrian connectivity. The Planning Commission gave approve for this layout. One of the critical issues was the back access to the neighborhood and continues onto the site, to integrate the neighborhood, the pedestrian walkway, and the bikes. Regarding the remaining 121 acre site, the property owner has been in discussion with a developer representing a large retailer for a part of this site in the next phase of development.

The property owner proposes an auto use on the south side of Battles Road to create a synergy with the existing two auto dealers to the north of Battles. There has been some discussion with larger, luxury dealerships which have indicated that they would not be interested in moving to this area. The owner is proposing that the Master Plan include two 5-acre sites with the back abutting where an existing well and incorporate it into what they seen in the big picture. They believe it is a better location with how it will work with their overall Master plan, balance the whole 121 acres, and to have the ability to better market the property. At the center of the property they envision a regional mall or shopping center with anchors and an external pedestrian walkway. A semi-pro baseball stadium could fit into the plan as well, and is something that Clifford Rhea would like to see. They have tried to look at the market and create something that works well together. Maps were presented to the Council.

Clifford Rhea addressed the City Council, and indicating the he and his father had been working on this project for more than 13 years. He sits on the board of Santa Maria Association of Realtors. He understands that the City has been approached by some local auto dealers. There are a lot of factors to consider and that need to be planned out. They did not plan on rolling their plan out until June, but this has pushed it out now. It still needs a little massaging, but it is a very thorough plan and likely to work in the City. They are not opposed to having area for auto expansion, but they are opposed to the location proposed by City Staff. They would like City Council to consider their Master Plan proposal. Changing the master plan at this point would set them back another two years. Mr. Rhea indicated that he did not think it was in the best interest of the City, and stalling the development any longer. The economy is turning, and the plan was ready to move forward.

Councilmember Boysen commented that their plan was substantially different then the Specific Plan, and asked if they had been working with the City throughout the process.

Mr. Rhea responded that they had been working with the City over the past two years.

Councilmember Boysen asked Mr. Rhea if City staff was aware of proposed changes to the Specific Plan. Mr. Rhea responded that he had spoken with the Traffic Engineering several times about the realignment of the proposed Bradley Road.

Councilmember Zuniga disclosed that she had ex parte communications and met with the Rhea's. She also viewed the proposed map. She asked about the allotment of auto overlay they were proposing was significantly smaller than what City is requesting.

Mr. Rhea responded that the lot behind the Ford dealership and the school would be proposed for auto overlay. He indicated that he was sure of the size or acreage, but thinks that it will accommodate what the City can support.

Councilmember Zuniga if the amount they were proposing would be the total amount of space for autos.

Mr. Rhea responded that they are still working with the major players who are still interested in the Santa Maria market. He indicated that if more auto is added, they would lose their retailer.

Jim Halferty, representing a major retailer who wants to locate in Santa Maria at that location, commented that they have developed a site plan that works for the seller and the balance of their property, is consistent with what the City requires, and the retailer is achieving what they need in the way of parking, location, visibility, etc. They have had two global meetings with City staff, and other smaller conference call meetings. In January 2013, the retailer commissioned a project evaluation report and everything was carefully analyzed. The site plan was modified several times after receiving comments from City staff. They now have site plan ready to be reviewed by Planning Commission. In all the meetings, they were encouraged to bring the project forward. As a result, they filed an application for a site plan project review. He indicated that they were surprised to learn that City Council would restrict the property to auto uses. The project is ready to move forward. It does make sense to set aside parcels for auto dealers, and has no objection to that. There is considerable land in the Enos Ranchos Specific Plan, and land is already zoned. He suggested that if the City wants to ensure auto users can find parcels to consider a floating auto use overlay. He proposes that 10 or more acres could be set aside either at the northeast end, the southwest corner, or anywhere along the freeway frontage in the project. He indicated that the overlay could cover the overall project, but the overlay would float. He asked that the City Council direct staff to evaluate that option and bring back a recommendation.

Pat Cusack, representing Toyota and Honda, addressed the City Council. They fully support auto expansion in the Santa Maria Valley. 14 years ago, auto dealerships were scattered around Santa Maria. They teamed up with the Westar development and put the Crossroads Auto Center, with auto overlay, project together. They have a good, visible location. It has been successful for them and they have over 300 employees. Auto sales are in the #1 category for producing sales tax. Without planning and foresight in identifying sites for auto expansion, the auto dealers stand to lose sites. The existing auto center at Betteravia is full; it houses 4 dealers, 7 franchises, and is in need of expansion. They are prepared and ready to move now, and would absorb all 14 acres. He indicated that the dealerships could regionalize as a group and attract people outside the area. He stated that he has a meeting with Rhea's tomorrow to discuss purchasing the property. He likes the idea of floating 10 acres for an auto overlay would be a smart idea. Mr. Cusack said they were ready to buy the property and develop it, and they have outside interests with other franchises. He did not think that what is planned for the property now, a grocery store, is that critical from a sales tax standpoint. The synergy with existing auto mall is super important to them.

Ernest Armenta addressed the City Council indicating that someone wants to plan a project it goes before the Planning Commission. He stated that this was not about the community, but about money. The property owners want the most bang for their buck, as well does the auto dealers and the City. He recommended that the item be forwarded back to the Planning Commission for review, and then come back to the Council when everything is all ready.

Nancy Stewart spoke in support of the auto overlay. She agreed with Mr. Cusack that the sites on Battles were not a good location for auto dealerships. This was the only place that is the perfect place for the auto overlay. It works best for the auto dealerships to be in one grouping. People will come to shop and can do it all in one area which will bring in the most sales tax. Honda has grown tremendously since it moved from West Main Street. Ms. Stewart indicated that she believed the dealers were ready to expand their businesses and other makes want to come to Santa Maria.

David Gomez addressed the City Council and has met with Mr. Cusack. You can see how nice the Toyota dealership is and hires local people. He respects the landowners as well, and hopes that they

will be able to do something on the corner of Betteravia and College. It is the best location for going across the street. He stated that Mr. Cusack has helped a lot of his friends, including one Los Angeles young lady who was able to purchase a car $1,000 less than in Los Angeles. He expressed that people should continue to buy local. He hopes for a happy conclusion.

Council Discussion
Councilmember Boysen asked if Director of Community Development Appel had any comments. Councilmember Boysen also disclosed that he has had ex parte communications with the Rhea's and has met with them and the Cusack's.

Councilmember Orach disclosed that has met with Rheas; Councilmember Green disclosed that he has met with Mr. Cusack; and Mayor Patino disclosed that she has met with Rheas, Mr. Halferty, and Mr. Cusack.

Director of Community Development Appel responded that plan was submitted late Friday and asked staff for their input. He compiled their comments and distributed to the Council tonight. Mr. Appel reviewed the bullet points on the comment hand-out provided by staff, and concluded by saying that staff still supports the auto overlay for the 14 acres.

City Manager Haydon stated that the staff report does provide a fiscal analysis as to the potential revenues. New car dealers in the City provide for half million dollars per quarter in sales tax. The single highest sales tax generator in the City is new car sales. He understands the property rights issue, but the City is dealing with 120 acres that is all agricultural land, and any improvements will be profitable to the property owners, and any zoning would generate more income for them. Mr. Haydon indicates that an auto overlay is a win-win from staff's perspective. The question would be to City Council as to whether it is in the public's interest to put an auto overlay; and if so, where to put it on the property.

Councilmember Zuniga asked for clarification if a decision was made tonight to do the auto overlay, was it necessary to decide where tonight as well; or did both happen in conjunction with each other.

Director of Community Development Appel responded that it would be best to have specific direction, so that when a General Plan Amendment is initiated it needs to be done on specific property.

City Manager Haydon clarified that Council's direction is if they want auto overlay at that location that is not to say they were opposed to a big box grocery retailer somewhere else on that land or in another place.

Councilmember Zuniga commented that although the local auto dealers want to purchase the property, the Rhea's have a right to sell it to whoever wants to sell cars there and not guaranteed to just those that have expressed interest. She would not like to rush in and impose something, but give both parties an opportunity to meet and meet with the Planning Commission, and come back to the City Council with a plan.

Director of Community Development Appel responded that staff has been meeting with Rhea's for a number of years and he believes that they have their plan in mind, and the City has other ideas. He did not think that will ever be melded together. The Council has heard from all the parties, and should make the decision for the best interest of the City.

Councilmember Zuniga commented the fiscal interest of the City is a high priority. Mr. Cusack mentioned that he would be meeting tomorrow with the Rhea's that maybe they were at a critical juncture and could come to some agreement.

Director of Community Development Appel provided a hypothetical scenario that if local auto dealers could make a deal and take the property, then there would not be a need for the auto overlay, but these proceedings have gone on, and they have met numerous times. If the City works on an auto overlay, and they work a deal out in the meantime, we can withdraw the application.

Councilmember Orach commented that from the discussion, the issue is of "location." When the discussion occurred with Westar about an auto overlay, it had been tough; but it has been a good addition to the City. The City benefits from the sales tax and the corridor lends itself to moving forward to establishing an auto mall in that location because it has happened in other locations up and down the coast. He stated that a lot of people come to Santa Maria to buy cars. He did not think the traffic impacts on Battles Road would be positive, and Betteravia is a major traffic flow to bring people into Santa Maria.

Councilmember Green commented that a lot of people are in agreement with certain levels of this project, but what was the part being opposed to. He stated that is the objection to the auto overlay, or

the auto mall. The Council has heard the tax benefits to the City, and it would attract passer buyers to the area.

Councilmember Boysen commented in deference to Mr. Armenta's comments. He stated that this is all about money and sales tax, and looking out for the best interests of Santa Maria when we look for businesses that generate income. Santa Maria is a city with revenues dictated by sales tax. Mr. Haydon hit it on the head, that currently the property is agricultural land. Any of the improvements that happen on the property for commercial will be an enhancement of property values. Specific zoning considerations and enhancements need to be considered in partnership with the City, and the need to look at those businesses that got Santa Maria where it is today. He indicated that he would be in support of the auto overlay. He knows the history of the auto dealers in the town and knows what they will generate for the City. Mr. Cusack says they are ready to go and has an indication that other auto dealerships are also ready to come on the Enos Ranchos property. He suggested that if the Council agrees to add an auto overlay, he would like the Council review the matter again in 5 years. Mr. Boysen stated that he did not want to handcuff the Rhea's property because everyone was now buying their cars on the internet.

City Manager Haydon commented on Mr. Green's question about "what was the opposition" and "who was opposed." Mr. Haydon stated that the opposition is locating an auto mall between College and the extension of Bradley Road on Betteravia Road. The property owner suggests that the City have 10 acres on the northeast corner of Battles for an auto mall. If you reduce the footprint of the anchor and the four adjacent buildings and do a flip-flop of the two, then it is a win-win for everyone. 10 acres here, 11 there.

Mayor Patino commented that she supports the auto overlay because she thinks it comes down to dollars and cents. It is a win-win for the Rheas, and for the City. People in the auto business know where their business can flourish. She looked at the proposal and sees a lot wrong with it. Mayor Patino stated that the Council would not support a theater at that site when a new one is being built downtown. The Council would like to revitalize the downtown and what the regional mall in that area. She stated that is was a simple choice if she had to chose between an auto mall and a Winco. Santa Maria residents want services. In order to have services, you need taxes.

Cliff Rhea asked to rebut some of what Mr. Haydon stated regarding the amount of sales to be generated from $1.2 million to $1.5 million in sales tax. If the consideration was to relocate dealerships from the north end of town, that would not generate new sales tax dollars; a retailer would. In the preliminary plan provides that Lowes will only go on freeway frontage across from Home Depot. An auto overlay kills Lowes. He requests that the Council consider that before they make a decision.

Mayor Patino inquired if there was consensus of Council to direct staff.

Director of Community Development Appel asked that if a motion was made that it include Attachment A and that will be the direction to staff.

Councilmember Boysen asked about the review in 5 years.

Director of Community Development Appel responded that when the amendment comes before the Council, a time stamp can be made then. This motion was just to provide the direction to staff.

Councilmember Orach made a motion to direct staff to process a specific plan amendment as outlined in Attachment A, seconded by Councilmember Boysen, and carried unanimously.

Director of Community Development Appel responded described the process, and after it is considered by the Planning Commission, then it will be presented to the City Council for final consideration.

9. FINANCIAL REPORT FOR THE THIRD QUARTER ENDING MARCH 31, 2013, AND A RESOLUTION APPROVING BUDGET AMENDMENTS RELATED TO THE 2012-13 BUDGET. Director of Administrative Services Visé gave a presentation as detailed in the written Council Agenda Report. The City Council considered the quarterly financial report for the third quarter of Fiscal Year 2012-13 and a budget amendment report approving personnel changes to the 2012-13 Budget. With 75 percent of the year complete, revenues are at 55.6 percent of projections while expenditures are at 65.8 percent of appropriations. Revenues are less than budgeted primarily because property tax in-lieu revenue is not received until January and May each year. The City adopted the 2012-13 Budget using approximately $2.5 million in Local Economic Augmentation Fund (LEAF). The majority of the revenues are showing signs of leveling off and are no longer declining. Sales and Hotel/Bed taxes are sources are showing increased revenue. However, these increases are offset by declining NHIS revenue. The first advance of Measure U2012 transactions and use tax was received in December 2012 in the amount of $262,000. In the Water/Wastewater Fund, revenue exceeded expenditures by

$293,000. The annual debt service payment for the 2012AB Refunding Bonds has been made for $2.3 million. In the Solid Waste Fund revenues exceeded expenses by $414,000.

Ernest Armenta addressed the City Council and asked for clarification about the use of special district funds to purchase equipment for City-wide use and outside of that special district's operations. He stated that he does not support the pay level for a new police commander position being proposed, nor for the purchase of four police vehicles for new Sergeants. He also suggested that Police Manager Phil Hanson has good experience with how to use city equipment and city funds.

On motion by Councilmember Boysen to receive and file the third quarter financial report and adopt Resolution No. 2013-42 approving amendments to the budget for 2013-13 and authorizing the City Manager to implement the same, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Green, Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2013-42 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA CALIFORNIA, APPROVING AN AMENDMENT TO THE 2012-13 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

Councilmember Boysen asked if the only Measure U appropriation was for the $254,000 to purchase the police vehicles.

Director of Administration Services Visé responded that it also included the creation of the emergency services coordinator position.

Councilmember Boysen asked the impact of that position on an annual basis.

Director of Administration Services Visé responded that it was a limited service position, at 19 hours a week.

CITY MANAGER'S REPORT
City Manager Haydon reported on items anticipated for the May 21, 2013, City Council Meeting to include LAFCO presentation; Public Hearings on the Hancock Terrace Apartments, the Fallas Department Store in old Mervyn's building; and a Closed Session concerning a disciplinary item, starting at 5:30 pm.

ORAL REPORTS BY COUNCILMEMBERS REGARDING AB1234
Councilmember Boysen reported that he attended the CCWA board meeting, and the Investment Oversight Committee meeting today.

Councilmember Green reported that he attended a program that assists with the rehabilitation of drug and alcohol users, and veterans, and the National Day of Prayer.

Councilmember Zuniga reported that she attended no meetings, but attended the National Day of Prayer. She also thanked City departments for their participation in the Cinco de Mayo celebration.

Councilmember Orach reported that he attended the National Day of Prayer, as well, and the Elks' Citizen of the Year event honoring Supervisor Steve Lavagnino.

Mayor Patino reported that she attended the SBCAG meeting, the Rise up America event; spoke at a Caltrans meeting in SLO about the Cone Zone; attended the National Day of Prayer; Firefighters car show at Mervyn's parking lot; and the Elks' Citizen of the Year.
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ADJOURNMENT:

There being no further business to come before the City Council at this time, Mayor Patino declared the meeting of the City Council adjourned at 9:59 p.m.

APPROVED

May 21, 2013
Date

Kathleen C. Wilson
Community Development Secretary of the City of Santa Maria and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST

Rhonda M. Garietz, CMC
Chief Deputy City Clerk